EASTERN PROVINCE CEMENT COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2026 AND INDEPENDENT AUDITOR'S REVIEW REPORT

EASTERN PROVINCE CEMENT COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2026 AND THE INDEPENDENT AUDITOR'S REVIEW REPORT

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of
Eastern Province Cement Company
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Eastern Province Cement Company "A Saudi Joint Stock Company" ("the Company"), and its Subsidiary (together "the Group") as of June 30, 2026, and the related interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods then ended, and the interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standards 34 – "*Interim Financial Reporting*" (IAS 34) that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

For Dr. Mohamed Al-Amri & Co.

د. محمد العمري وشركاه - محاسبون قانونيون
شركة مهنية رقم ٣٢٣/١١/٦٦/٢
س.ت ٢٠٥٠١٠٥٨٢٢
Dammam
Certified Public Accountants
Dr. Mohamed Al-Amri & Co.

Ahmed Al Jumah
Certified Public Accountant
Registration No. 621

Dammam, on: 15 Safar, 1448 (H)
Corresponding to: 29 July, 2026 (G)

EASTERN PROVINCE CEMENT COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANICAL POSITION
AS AT JUNE 30, 2026
(All Amounts in Thousands of Saudi Riyals "⃁" Unless Otherwise Stated)

	Notes	June 30, 2026 (Un-audited)	31, December 2025 (Audited)
ASSETS			
Non- current assets			
Property, plant and equipment	3	**1,588,548**	1,396,151
Intangible assets		**7,869**	7,938
Investment properties		**84,105**	84,922
Right-of-use assets		**5,051**	5,364
Investments at FVTOCI	4	**286,876**	258,790
Investment in an associate	5	**79,745**	93,112
Prepayments and other assets-non- current portion		**21,641**	18,037
		2,073,835	1,864,314
Current Assets			
Inventories, net		**438,018**	485,700
Trade receivables and retentions receivables, net	6	**437,152**	442,170
Prepayments and other assets - current portion, net	7	**95,045**	113,855
Investment at fair value through profit or loss	8	**284,146**	130,885
Cash and cash equivalents	9	**134,245**	207,481
		1,388,606	1,380,091
TOTAL ASSETS		**3,462,441**	3,244,405
EQUITY AND LIABILITIES			
Equity			
Share capital		**860,000**	860,000
Voluntary reserve		**834,639**	834,639
Retained earnings		**821,922**	732,406
Reserve of valuation of investments carried at FVTOCI		**(41,769)**	(69,855)
Actuarial reserve		**(14,996)**	(16,178)
		2,459,796	2,341,012
LIABILITIES			
Non- current liabilities			
Employees' end of service benefits		**113,446**	110,969
Other provisions		**38,082**	37,649
Lease liabilities		**3,530**	2,679
Loans - non-current portion	10	**508,811**	364,479
		663,869	515,776
Current liabilities			
Trade payable and other liabilities	11	**251,616**	290,932
Due to related parties	12	**601**	332
Dividends payable		**61,457**	61,349
Lease liabilities		**1,214**	2,526
Loans - current portion	10	**7,455**	3,446
Provision for zakat	13	**16,433**	29,032
		338,776	387,617
Total liabilities		**1,002,645**	903,393
TOTAL EQUITY AND LIABILITIES		**3,462,441**	3,244,405

Finance Manager	**Chief Executive Officer**	**Authorized Board Member**

The accompanying notes from 1 to 22 considered as an integral part of these interim condensed consolidated financial statements.

EASTERN PROVINCE CEMENT COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2026
(All Amounts in Thousands of Saudi Riyals "⃁" Unless Otherwise Stated)

		For the three-month ended		For the six-month ended	
		June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	Note	**(Un-audited)**	(Un-audited)	**(Un-audited)**	(Un-audited)
Revenue, net	14	**343,602**	310,728	**697,915**	609,252
Cost of revenue		**(243,639)**	(217,590)	**(498,397)**	(419,085)
Gross profit		**99,963**	93,138	**199,518**	190,167
General and administration expenses		**(16,645)**	(13,160)	**(32,034)**	(29,132)
Sales and marketing expenses		**(3,416)**	(3,290)	**(6,976)**	(7,346)
Operating profit		**79,902**	76,688	**160,508**	153,689
Dividends and Murabaha Income		**858**	1,219	**2,399**	2,567
Impairment of investment in an associate	5	**(4,211)**	(4,170)	**(9,850)**	(9,212)
Share of profits in an associate	5	**1,240**	1,572	**2,404**	815
Gains / (Losses) from revaluation of investments at fair value through profit or loss		**2,151**	(1,295)	**5,341**	641
Other income		**4,448**	2,806	**7,255**	6,235
Other expenses		**(2,662)**	(2,768)	**(5,370)**	(9,178)
Finance charges		**(1,593)**	(1,530)	**(3,153)**	(2,868)
Allowance for Expected Credit Losses		**(3,000)**	-	**(3,000)**	-
Losses from exchange of foreign currency		**(112)**	(103)	**(231)**	(225)
gains / (Losses) on disposal of property, plant and equipment		**42**	(271)	**42**	(685)
Profit before zakat		**77,063**	72,148	**156,345**	141,779
Zakat expenses	13	**(7,979)**	(8,795)	**(15,229)**	(16,345)
Net profit for the period		**69,084**	63,353	**141,116**	125,434
Other comprehensive income items: *Items that will not be reclassified to consolidated statement of profit or loss:*					
Re-measurement of employees' end of service benefits		**189**	(4,766)	**1,182**	(4,651)
gains / (Losses) Unrealized on investments at FVTOCI		**20,422**	(24,757)	**28,086**	(27,547)
Other comprehensive income / (loss) for the period		**20,611**	(29,523)	**29,268**	(32,198)
Total comprehensive income		**89,695**	33,830	**170,384**	93,236
Earnings per share basic and diluted					
Earnings per share from profit for the period	16	**0.80**	0.74	**1.64**	1.46

Finance Manager | **Chief Executive Officer** | **Authorized Board Member**

The accompanying notes from 1 to 22 considered as an integral part of these interim condensed consolidated financial statements.

EASTERN PROVINCE CEMENT COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2026
(All Amounts in Thousands of Saudi Riyals "⃁" Unless Otherwise Stated)

	Capital	Voluntary reserve	Retained earnings	Reserve of valuation of investments carried at FVTOCI	Actuarial Reserve	Total equity
Balance as at January 1, 2025 (audited)	860,000	834,639	667,541	(55,318)	(13,226)	2,293,636
Net profit for the period	-	-	125,434	-	-	125,434
Other comprehensive loss for the period	-	-	-	(27,547)	(4,651)	(32,198)
Total comprehensive income for the period	-	-	125,434	(27,547)	(4,651)	93,236
Dividends (note 19)	-	-	(86,000)	-	-	(86,000)
Balance as at June 30, 2025 (un-audited)	860,000	834,639	706,975	(82,865)	(17,877)	2,300,872
Balance as at January 1, 2026 (audited)	**860,000**	**834,639**	**732,406**	**(69,855)**	**(16,178)**	**2,341,012**
Net profit for the period	**-**	**-**	**141,116**	**-**	**-**	**141,116**
Other comprehensive income for the period	**-**	**-**	**-**	**28,086**	**1,182**	**29,268**
Total comprehensive income for the period	**-**	**-**	**141,116**	**28,086**	**1,182**	**170,384**
Dividends (note 19)	**-**	**-**	**(51,600)**	**-**	**-**	**(51,600)**
Balance as at June 30, 2026 (un-audited)	**860,000**	**834,639**	**821,922**	**(41,769)**	**(14,996)**	**2,459,796**

Finance Manager **Chief Executive Officer** **Authorized Board Member**

The accompanying notes from 1 to 22 considered as an integral part of these interim condensed consolidated financial statements.

EASTERN PROVINCE CEMENT COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026
(All Amounts in Thousands of Saudi Riyals "⃁" Unless Otherwise Stated)

	June 30, 2026	June 30, 2025
Cash flows from operating activities:	**(Un-audited)**	(Un-audited)
Profit before zakat	**156,345**	141,779
Adjustments for:		
Depreciation of property, plant and equipment and amortization of intangible assets	**51,657**	53,799
(Gains) / Losses from disposal of property, plant and equipment	**(42)**	685
Dividends and Murabaha Income	**(2,399)**	(2,567)
Depreciation of investment property	**817**	816
Depreciation of right-of-use assets	**313**	974
Provision for slow moving inventory of spare parts	**3,613**	3,613
Finance charges	**3,153**	2,868
Impairment of investment in an associate	**9,850**	9,212
Share of profit in an associate	**(2,404)**	(815)
Gain from revaluation of investments at fair value through profit or loss	**(5,341)**	(641)
Expected Credit Losses	**3,000**	-
Employees' end of service benefits	**3,982**	3,700
	222,544	213,423
Changes in working capital:		
Trade receivables, retentions receivables, prepayments and other assets	**17,543**	(61,872)
Inventories	**44,069**	(12,111)
Trade payable and other liabilities	**(39,316)**	15,314
Due to related parties	**269**	(748)
Employees' end of service benefits paid	**(3,002)**	(2,124)
Zakat paid	**(27,828)**	(29,933)
Finance charges paid	**(305)**	(125)
Net cash generated from operating activities	**213,974**	121,824
Cash flows from investing activities		
Additions to property, plant and equipment and intangible assets	**(234,475)**	(201,763)
Proceed from disposal of property, plant and equipment	**50**	28
Proceed from dividends and interests on Murabaha	**2,399**	1,422
Dividends received from associate	**5,921**	-
Net movement in investment at fair value through profit or loss	**(147,920)**	(112,960)
Proceed from selling of investment at fair value through profit or loss	**-**	200,000
Net change in Murabaha deposits	**-**	1,145
Net cash used in investing activities	**(374,025)**	(112,128)
Cash flows from financing activities		
Dividends paid	**(51,492)**	(85,634)
Loans received during the period	**381,200**	-
Repayments of Loans	**(242,377)**	-
Repayment of lease liabilities	**(516)**	(638)
Net cash generated from / (used in) financing activities	**86,815**	(86,272)
Net change in cash and cash equivalents	**(73,236)**	(76,576)
Cash and cash equivalent at the beginning of the period	**207,481**	154,751
Cash and cash equivalent at the end of the period	**134,245**	78,175
Non-cash transactions from investing activities		
Cash flows from investing activities		
Additions to property, plant and equipment and intangible assets through capital work in progress	**20,037**	24,512
Unrealized gain / (loss) on investments at fair value through other comprehensive income "FVTOCI"	**28,086**	(27,547)

Finance Manager	**Chief Executive Officer**	**Authorized Board Member**

The accompanying notes from 1 to 22 considered as an integral part of these interim condensed consolidated financial statements.

(All Amounts in Thousands of Saudi Riyals "⃁" Unless Otherwise Stated)

1- ORGANIZATION AND MAIN ACTIVITIES

Eastern Province Cement Company ("the Company") or ("the Holding Company") is a Saudi joint stock company established pursuant to the Royal Decree No. M/11 dated 14 Rabi' Al-Awwal 1402 -H (corresponding to January 9, 1982) and Resolution of His Royal Highness the Minister of Commerce No. 939 dated Rabi' Al-Thani 3, 1403 H (corresponding to January 17, 1983), and registered in Dammam under the Commercial Registration No. 2050013400 dated Jumada Al-Awwal 22, 1403 H (corresponding to March 7, 1983) and unified No: 7000306196.

The Holding Company's head office is located in Dammam, Saudi Arabia.

The main activity of the Holding company is operating quarries, mining gypsum and anhydrite, and wholesale of cement and gypsum.

The Holding Company obtained by Royal Decree No. M/6 dated 17 Rabi Al Thani 1405 H (Corresponding to 9 January 1985 G) the mining franchise for exploitation of limestone and clay in Al-Khurasania area for a renewable period of thirty years. The Holding Company has completed the legal procedures to renew the Franchise license. Ministerial Decree No. Q/5334 dated Rajab 12, 1438 H has been issued to renew the Holding company's rights in utilizing the limestone and clay for its factory located in Al-Tawy site near to Al-Khurasania in Al-Jubail Governorate for thirty Hijri years starting from Rabi Alawwal 18, 1436 H.

The Holding Company also obtained, pursuant to Ministerial Resolution No. 14/Q dated Safar 24, 1433 H (Corresponding to January 18, 2012), the mining franchise for the exploitation of limestone and clay in Al-Najabia valley at Al-Ahsa Governorate in the Eastern region valid till December 31, 2035. In addition, the holding company obtained, under Ministerial Resolution No. 211/1/1447 dated 8/1/1447, a small mine license to exploit gypsum and anhydrite ore from the gypsum ore complex site in Umm Huwaidh in Al-Ahsa Governorate, which belongs to the Eastern Province.

The Group's condensed interim consolidated financial statements as at 30 June 2026 include the condensed interim financial statements of the Parent Company and its branch, and its subsidiary and its branch.

Branch of the Holding Company:

Branch Commercial Registration No	Date	Place of issue	Commercial Name of Branch
2055022383 (Unified No:7013234245)	Jumada Al-Thani 16, 1435H	Al-Jubail	Eastern Province Cement Company Factory

The main activities of the branch are quarry operation, gypsum and anhydrite mining, and wholesale cement and gypsum trading. The holding company has a branch commercial registration in Jubail for the Eastern Province Cement Company Factory No. 2055022383 dated Jumada Al-Thani 16, 1435-H (corresponding to April 16, 2014) and its activity is represented in the manufacture of ordinary cement (Portland), the manufacture of salt-resistant cement, and the manufacture of compact cement (clinker) under the National Industrial License No. 1300.

The subsidiary

The Board of Directors of the Eastern Province Cement Company decided in its meeting held on December 11, 2018, to start the procedures for converting the branch of Prainsia Saudi Arabia for Precast, registered in the Commercial Register under No. 2051035184 and unified No. 7011762981, into a limited liability company. The legal procedures for changing the legal structure of the branch were completed during the second quarter of 2023 with the same commercial register number.

Name of subsidiary	Date of CR	Commercial activity	Effective percentage of ownership
Prainsa Saudi Arabia for Precast Concrete	Ragab 21, 1428-H (August 3, 2007-G)	Production of Precast under industrial license #3031328 issued Rabi' Al-Awwal 3, 1437H	100%

The Board of Directors of Eastern Province Cement Company resolved on December 25, 2024, to increase the share capital of the subsidiary from ⃁ 55 million to ⃁ 145 million and to initiate the necessary legal procedures in this regard. On January 16, 2025, the Commercial Registration was amended, and the share capital became ⃁145 million in accordance with the Commercial Register.

(All Amounts in Thousands of Saudi Riyals "⃁" Unless Otherwise Stated)

1- ORGANIZATION AND MAIN ACTIVITIES (CONTINUED)

Branch of the subsidiary:

Branch Commercial Registration No*	Date	Place of issue	Commercial Name of Branch
4042100240 Unified No:7004567793	Dhu al-Hijjah 2, 1439H	ASFAN	Factory of Prainsa Saudi Arabia for Precast Concrete

The main activities of the branch are the construction of precast buildings, concrete and steel buildings, light and heavy prefabricated buildings, infrastructure works, and import of all building materials and precast.

* During 2024, the holding company transferred ownership of the commercial registration of the Eastern Province Cement Company plant in Asfan to its subsidiary.

2- BASIS OF PREPARATION

These interim condensed consolidated financial statements of the Group have been prepared in accordance with the requirements of International Accounting Standard (34) "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants, which should be read in conjunction with the Group's latest annual consolidated financial statements issued for the year ended December 31, 2025 ("Latest Annual Consolidated Financial Statements"). These interim condensed consolidated financial statements do not include all the information required for a complete set of consolidated financial statements.

2-1 MATERIAL ACCOUNTING POLICIES

The Group has applied the same accounting policies and methods of computation in these interim condensed consolidated financial statements as those applied in its latest annual consolidated financial statements, except for the amendments described below, which become effective for the first time in 2026. However, these amendments are not expected to have a material impact on the Group, as they are either not relevant to the Group's activities or require accounting treatments that are consistent with the Group's existing accounting policies, except for the revisions to the useful lives of property, plant and equipment (see Note 3.1).

2-1-1 Standards and amendments issued, applied and effective in the current period

There are no new standards that are effective for the current reporting period. However, the following amendments to existing standards are effective for the current period and do not have a material impact on the Group's interim condensed consolidated financial statements.

Amendment of standard	Description	Effective for the year started on or after
IFRS 9, and IFRS7	Amendments to the classification and measurement of financial instruments	January 01, 2026

2-1-2 The impact of accounting standards to be applied in future periods

There are a number of standards, amendments and interpretations issued by the International Accounting Standards Board that are effective for annual reporting periods beginning after December 31, 2026 (the date of the Group's next annual consolidated financial statements). The Group has elected not to early adopt these standards, amendments and interpretations. The Group does not expect them to have a material impact on its consolidated financial statements upon adoption, with the exception of International Financial Reporting Standard (IFRS) 18, Presentation and Disclosure in Financial Statements.

IFRS 18, Presentation and Disclosure in Financial Statements, will replace IAS 1, Presentation of Financial Statements, and is effective for annual reporting periods beginning on or after January 1, 2027. The Group has not early adopted the new accounting standard in preparing these interim condensed consolidated financial statements, although early adoption is permitted.

The Group is currently assessing the expected impact of the initial adoption of IFRS 18 on its consolidated financial statements.

2- BASIS OF PREPARATION (CONTINUED)

2-1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2-1-2 The impact of accounting standards to be applied in future periods (Continued)

A. Structure of the Statement of profit or loss

IFRS 18 requires entities to classify all income and expenses into categories in the statement of profit or loss, namely: operating, investing, financing, income taxes and zakat, and discontinued operations. The classification of income and expenses is based on the entity's main business activities. The Group has concluded that it does not have a specified main business activity of investing in assets and/or providing financing to customers.

The adoption of IFRS 18 will not affect the Group's profit or loss or net assets. However, the Group will be required to present new specified subtotals, including "Profit or loss before financing and income taxes." In addition, the operating profit subtotal under IFRS 18 will differ from the operating profit subtotal currently presented by the Group. Based on the information currently available, the Group expects the following changes to the presentation of its statement of profit or loss:

- Under the Group's current accounting policies, interest income arising from the investment of surplus cash and interest expense are presented within finance income and finance costs, respectively, and included in the subtotal "Net finance costs." Under IFRS 18, income and expenses related to cash and cash equivalents are classified based on the nature of the entity's main business activities. As the Group's main business activities do not consist of investing in financial assets or providing financing to customers, interest income arising from the investment of surplus cash is expected to be classified within the investing category, while interest expense is expected to be classified within the financing category.

- Under the Group's current accounting policies, foreign exchange differences arising from foreign currency transactions are presented in the statement of profit or loss. Under IFRS 18, foreign exchange differences are classified within the same category as the income or expense related to the item giving rise to those differences. Accordingly, the Group has determined that foreign exchange differences relating to trade receivables and trade payables will be classified within the operating category, as they arise from operating transactions. The Group has no loans or financing liabilities denominated in foreign currencies and, accordingly, no foreign exchange differences are expected to be classified within the financing category.

B. Management-Defined Performance Measures

Management-defined performance measures (MPMs) are subtotals of income and expenses that are used in public communications outside the financial statements and reflect management's view of an aspect of the financial performance of the entity as a whole. The Group will be required to disclose specified information about its management-defined performance measures in a single note to the financial statements.

The Group is currently identifying the public communications that should be considered in determining its management-defined performance measures. These communications relate to the same reporting period covered by the financial statements. Accordingly, the management-defined performance measures to be disclosed by the Group upon adoption of IFRS 18 will be determined based on the Group's public communications relating to the interim reporting period for 2027.

C. Principles of aggregation and disaggregation

IFRS 18 introduces enhanced principles for aggregating and disaggregating information in the financial statements, including both the primary financial statements and the notes. It also provides guidance on the labelling and description of line items presented in the primary financial statements or disclosed in the notes.

The Group is currently assessing the aggregation and disaggregation of information based on shared and non-shared characteristics. Based on the assessment performed to date, the Group expects to present line items in the primary financial statements that provide useful structured summaries and to disclose additional material information in the notes.

The Group is also reviewing line items currently presented as "other" and expects to replace them with more specific and meaningful descriptions, where appropriate.

(All Amounts in Thousands of Saudi Riyals "⃁" Unless Otherwise Stated)

2- BASIS OF PREPARATION (CONTINUED)

2-1-2 The impact of accounting standards to be applied in future periods (CONTINUED)

D. Consequential amendments

IFRS 18 introduces consequential amendments to IAS 7 "*Statement of Cash Flows"*, which require entities using the indirect method to use the newly required operating profit subtotal as the starting point for presenting cash flows from operating activities. The Group currently uses profit for the year/period as the starting point for reconciling to net cash generated from operating activities. As a result of the new starting point, certain reconciling items included in that reconciliation will change.

The consequential amendments also provide specific guidance on the classification of cash flows arising from interest and dividends. In accordance with these requirements, the Group will classify cash flows arising from interest paid as financing activities, rather than operating activities. Cash flows arising from interest received, dividends received, and dividends paid will continue to be classified as investing activities, investing activities, and financing activities, respectively.

3- PROPERTY, PLANT AND EQUIPMENT

	Note	**June 30, 2026 (Un-audited)**	December 31, 2025 (Audited)
Book values to:			
Operating fixed assets	3-1	**608,767**	632,078
Capital work in progress	3-2	**979,781**	764,073
		1,588,548	1,396,151

3-1 Operating fixed assets

	June 30, 2026 (Un-audited)	December 31, 2025 (Audited)
Net book value at the beginning of the period / year	**632,078**	670,092
Transfer from capital work in progress during the period / year	**20,037**	55,352
Additions during the period / year	**8,248**	14,510
Disposal during the period / year	**(8)**	(2,076)
Depreciation charge during the period / year *	**(51,588)**	(105,800)
Net book value at the end of the period / year	**608,767**	632,078

* During the period, the Group reviewed and revised the estimated useful lives and the expected future economic benefits of the cement segment's machinery and equipment and heavy-duty trucks. The revision was based on a comprehensive assessment of the accounting practices and useful lives applied by comparable companies within the industry, which resulted in revising the estimated useful lives from 10 years to 36 years (previously ranging from 15 to 20 years). In addition, a detailed technical assessment of the buildings, machinery, equipment and heavy trucks was performed on an asset-by-asset basis by the Group's Technical Department in collaboration with an independent technical expert.

The study and technical assessment concluded that the current remaining useful lives did not appropriately reflect the expected pattern of consumption of the future economic benefits embodied in these assets. Accordingly, the estimated useful lives were revised, and the change has been accounted for prospectively, effective from 1 May 2026, in accordance with the applicable International Financial Reporting Standards relating to changes in accounting estimates.

As a result of this change, depreciation expense for the six-month period ended 30 June 2026 decreased by 3 million ⃁. The Group also expects a reduction in depreciation expense of approximately 12 million ⃁ for the year ending 31 December 2026 and approximately 18.2 million ⃁ for the year ending 31 December 2027, representing the full-year impact of the revised estimated useful lives.

(All Amounts in Thousands of Saudi Riyals "⃁" Unless Otherwise Stated)

3- PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

3-2 Capital works in progress

	June 30, 2026 (Un-audited)	December 31, 2025 (Audited)
As at the beginning of the period / year	**764,073**	225,425
Additions during the period / year	**235,859**	594,612
Charged to statement of profit or loss during the period / year	**(114)**	(612)
Transfer to operating fixed assets during the period/year	**(20,037)**	(55,352)
As at the end of the period / year	**979,781**	764,073

4- INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME "FVTOCI"

The Group classified all equity investments listed below as investments at fair value through other comprehensive income, as these securities represent investments that the Group intends to hold for the long term for strategic purposes.

A- Investments at fair value through other comprehensive income consist of the following:

		June 30, 2026 (Un-audited)		December 31, 2025 (Audited)	
	Note	**Number of shares**	**Value**	Number of shares	Value
Quoted securities					
Saudi Arabian Oil Company (Aramco)	4-A-1	**2,147**	**56,070**	2,147	51,154
			56,070		51,154
Unquoted securities					
Industrialization and Energy Services Company	4-A-2	**27,187**	**230,806**	27,187	207,636
			230,806		207,636
			286,876		258,790

4-A-1 The share price on June 30, 2026, was 26.12 ⃁ per share (On December 31, 2025: 23.83 ⃁ per share). The Group received during the period dividends from Saudi Arabian Oil Company (Aramco) amounting to 1,457 thousand ⃁.

4-A-2 Industrialization and Energy Services Company (a Saudi closed joint stock company), in which the Group owns 3.79 % of the investee's shares. The Group's management determined the value of the investment in Industrialization and Energy Services Company, based on a report from an independent valuer based on the investee's interim condensed consolidated financial statements as at March 31, 2026 (which represents the latest available financial information) at 8.49 ⃁ per share (December 31, 2025: 7.64 ⃁ per share). To determine fair value, the group used the Comparable Companies Method ("CCM") under the market approach using an EBITDA multiple.

(All Amounts in Thousands of Saudi Riyals "⃁" Unless Otherwise Stated)

5- INVESTMENT IN AN ASSOCIATE

The Group has a 31.58 % investment in the Arab Yemen Cement Company ("the Associate"), a limited liability company registered in the Republic of Yemen. The Associate was established to carry out cement production activity and started production in 2009. The movement on the investment during the period / year is as follows:

	June 30, 2026 (Un-audited)	December 31, 2025 (Audited)
Opening balance	**257,135**	253,744
Dividends	**(5,921)**	-
Share of profit of an associate for the period / year	**2,404**	3,391
	253,618	257,135
Less: impairment of investment	**(173,873)**	(164,023)
Closing balance	**79,745**	93,112

During the period ending June 30, 2026, the Company updated the study previously prepared by an independent consulting firm for the year ending December 31, 2025, regarding the possibility of an impairment in the value of the investment in the Arab Yemen Cement Company due to a decrease in the profits of the associate company, by calculating the expected future discounted cash flows and comparing them to the book value of the investee company. As a result of this study, an additional impairment in the value of the investment was recognized during the period amounting to 9.9 million ⃁ (2025: 25.8 million ⃁). The Group used the discounted cash flow (DCF) method to determine the fair value as at June 30, 2026.

The movement in the provision for impairment of investment during the period / year is as follows:

	June 30, 2026 (Un-audited)	December 31, 2025 (Audited)
Opening balance	**164,023**	138,245
Impairment of investment in associate	**9,850**	25,778
Closing balance	**173,873**	164,023

The independent auditor's report on the audited financial statements of the associate for the year ended December 31, 2025 includes a material uncertainty related to the associate's ability to continue as a going concern in light of the prevailing economic conditions and ongoing security situation in the Republic of Yemen.

6- TRADE RECEIVABLES AND RETENTION'S RECEIVABLES, NET

	June 30, 2026 (Un-audited)	December 31, 2025 (Audited)
Trade receivables	**453,146**	459,646
Less: provision for trade receivables	**(55,468)**	(52,468)
	397,678	407,178
Retention's receivables	**50,383**	45,901
Less: provision for retention's receivable	**(10,909)**	(10,909)
	39,474	34,992
	437,152	442,170

(All Amounts in Thousands of Saudi Riyals "⃁" Unless Otherwise Stated)

7- PREPAYMENTS AND OTHER ASSETS, NET

The prepayments and other assets balance, net, as of June 30, 2026, amounted to 95,045 thousand ⃁ (December 31, 2025: 113,855 thousand ⃁), including 36,184 thousand ⃁ as at June 30, 2026 (December 31, 2025: 54,121 thousand ⃁), representing the contract assets balance, and an amount of 27,118 thousand ⃁ as at June 30, 2026 (December 31, 2025: 26,479 thousand ⃁) representing the employee' receivables balance.

8- INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

A- Investment at fair value through profit or loss consists of the following:

	June 30, 2026 (Un-audited)	December 31, 2025 (Audited)
Investments in investment funds	**170,253**	19,015
Investments in Discretionary Portfolios Management*	**113,893**	111,870
	284,146	130,885

* During the year ended December 31, 2022, the Group's management entered into agreements for locally managed discretionary portfolios managed by an investment manager, which include investments in cash discretionary portfolios amounting to 1.2 million ⃁ as of June 30, 2026 (December 31, 2025: 1.8 million ⃁).

B- Movement in investments as follows:

	June 30, 2026 (Un-audited)	December 31, 2025 (Audited)
Opening balance	**130,885**	202,018
Change in fair value	**2,275**	(4,251)
Realized profits from sale of investments	**3,066**	1,757
Disposals	**(212,080)**	(168,639)
Additions	**360,000**	100,000
Closing balance	**284,146**	130,885

9- CASH AND CASH EQUIVALENT

	June 30, 2026 (Un-audited)	December 31, 2025 (Audited)
Cash at banks	**53,537**	77,481
Cash in hand	**83**	-
Short term Murabaha deposits (*)	**80,625**	130,000
	134,245	207,481

***** The group invests part of its cash surplus in term deposits with a maturity period of three months or less with financial institutions.

(All Amounts in Thousands of Saudi Riyals "⃁" Unless Otherwise Stated)

10- CREDIT FACILITIES

		June 30, 2026 (Un-audited)	December 31, 2025 (Audited)
Credit facilities (Tawarruq)	Saudi National Bank (10-1)	**172,403**	117,628
Credit facilities (Tawarruq)	Banque Saudi Fransi (10-2)	**172,450**	117,589
Loan	Saudi Industrial Development Fund (10-3)	**184,493**	143,996
		529,346	379,213
Unearned finance cost		**(13,080)**	(11,288)
		516,266	367,925

	June 30, 2026 (Un-audited)	December 31, 2025 (Audited)
Balance at the beginning of the period / year	**367,925**	-
Proceeds from loans during the period / year	**381,200**	678,996
Finance interests during the period / year	**9,518**	4,800
Repayment of loans during the period / year	**(242,377)**	(315,871)
Balance at the end of the period / year	**516,266**	367,925
Current portion	**7,455**	3,446
Non-current portion	**508,811**	364,479
	516,266	367,925

10-1 Under the agreement signed on August 21, 2024, between the Group and the Saudi National Bank, with a credit limit of 850 million ⃁, the outstanding balance as at June 30, 2026, was 172.4 million ⃁ (December 31, 2025, 117.6 million ⃁). Financing costs are charged at the treasury cost rate plus an agreed profit margin. Financing costs charged during the period amounted to 4 million ⃁ (December 31, 2025: 2.3 million ⃁), which were capitalized under the Capital work in progress item.

The company promised to transfer the insurance policies to the bank upon completion of the fifth line project and committed to mortgage the machinery and equipment for the fifth line, valued at 700 million ⃁, upon its completion. In return, the company issued a promissory note to the bank as collateral for the granted credit facilities. The facility agreement also includes several financial commitments that the company must adhere to throughout the facility's term.

10-2 Under the agreement signed on October 10, 2023, between the Group and Banque Saudi Fransi, with a credit limit of 965 million ⃁, the outstanding balance as at June 30, 2026, was 172.6 million ⃁ (December 31, 2025, 117.6 million ⃁). Financing costs are charged at the treasury cost rate plus an agreed profit margin. Financing costs incurred during the period amounted to 4 million ⃁ (December 31, 2025: 2.3 million ⃁), which were capitalized under the Capital work in progress item. The Group issued a promissory note in favor of the Bank as collateral for the granted credit facility. The facility agreement also includes undertakings that the Group must comply with throughout the facility's term.

10-3 Under the agreement signed on September 11, 2025, between the Group and the Saudi Industrial Development Fund, with a credit limit of 300 million ⃁, the outstanding balance as at June 30, 2026, was 171.4 million ⃁ (December 31, 2025: 133 million ⃁), after deducting 13.1 million ⃁ representing unearned financing costs. Financing costs incurred during the period amounted to 1.4 million ⃁ (December 31, 2025: 232 thousand ⃁), which were capitalized under the Capital work in progress item.

The Group issued a promissory note in favor of the fund as collateral for the granted credit facilities, in addition to mortgaging the company's entire plant located on Al-Khurasania, including all fixed and movable assets. The facility agreement also includes several financial commitments that the company must comply with throughout the facility's term.

(All Amounts in Thousands of Saudi Riyals "⃁" Unless Otherwise Stated)

11- TRADE PAYABLE AND OTHER LIABILITIES

The trade payable and other liabilities balance as at June 30, 2026 amounted to 251,616 thousand ⃁ (December 31, 2025: 290,932 thousand ⃁), which includes an amount of 115,003 thousand ⃁ as at June 30, 2026 (December 31, 2025: 130,449 thousand ⃁) representing the trade payable balance, and an amount of 76,825 thousand ⃁ as at June 30, 2026 (December 31, 2025: 83,948 thousand ⃁) representing the accrued expenses balance.

12- RELATED PARTIES' TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties consist of shareholders, directors and businesses in which the shareholders and the Board of directors, individually or collectively, have significant influence. The Group's transactions with related parties are conducted on at arm's length basis in the ordinary course of business and are to be approved by management.

The transactions represent amounts received by the Group from the account of the Arab Yemen Cement Company (an associate company) in a bank in the state of Oman until they are paid to the suppliers and creditors of the associate on its behalf, as the associate company faces difficulties in bank transfers to and from the Republic of Yemen.

Company	**Relationship**
Arab Yemen Cement Company	Associate
Al Dawaa Medical Services Company	Related party
Walaa Cooperative Insurance Company	Related party
Classic Travel and Tourism Agency	Related party

Significant transactions with related parties during the period are as follows:

Related party	**Nature of relationship**	**For the six-month period ended on June 30, 2026 (Un-audited)**	For the six-month period ended on June 30, 2025 (Un-audited)
Arab Yemen Cement Company	Payment to suppliers of Yemeni company	**247**	82
	Dividends	**5,921**	-
	Payments on behalf of the Yemeni company	**263**	-
	Deposits from the Yemeni company	**750**	-
Al Dawaa Medical Services Company	Rental revenue	**1,596**	1,668
Walaa Cooperative Insurance Company	Services	**-**	667
Classic Travel and Tourism Agency	Bookings of tickets	**200**	-

A- The balances due to related parties are as follows:

	June 30, 2026 (Un-audited)	December 31, 2025 (Audited)
Classic Travel and Tourism Agency	**60**	31
Arab Yemen Cement Company	**451**	301
	601	332

(All Amounts in Thousands of Saudi Riyals "⃁" Unless Otherwise Stated)

12- RELATED PARTIES' TRANSACTIONS AND BALANCES (CONTINUED)

B- Remuneration of members of Board of Directors and key management personnel

	June 30, 2026 (Un-audited)		June 30, 2025 (Un-audited)	
	Members of Board of directors	**Key management personnel**	Members of Board of directors	Key management personnel
Board of directors' remuneration	**2,815**	**-**	2,966	-
Salaries, wages and allowances	**125**	**7,688**	75	7,242
End of service expenses	**-**	**730**	-	885
	2,940	**8,418**	3,041	8,127

13- PROVISION FOR ZAKAT

Movement of zakat provision

	June 30, 2026 (Un-audited)	December 31, 2025 (Audited)
Balance at the beginning of the period / year	**29,032**	32,374
Zakat charges during period / year	**15,229**	26,591
Paid during period / year	**(27,828)**	(29,366)
Adjustments during period / year	**-**	(567)
Balance at the end of the period / year	**16,433**	29,032

Zakat status

The Group submitted its Zakat returns for the years up to 2025 at the consolidated level to the Zakat, Tax and Customs Authority and obtained the required certificate. During 2026, the Group paid the Zakat accrued balance for the 2025 return at the amount of 27,828 thousand ⃁.

The Group has finalized its zakat assessments with the Zakat, Tax and Customs Authority (the "Authority") up to 2022. During 2024, the assessments for the years 2021 and 2022 were issued, and the related amounts were settled with the Authority. Additionally, on May 8, 2025, the Group received the final assessment for the year 2023, which included an additional zakat liability of ⃁ 567,641.

14- REVENUES, NET

The Group's revenue from contracts with customers during the period has been classified based on the timing of revenue recognition as follows:

Timing of revenue recognition	**June 30, 2026 (Un-audited)**	June 30, 2025 (Un-audited)
At point in time	**530,502**	450,363
Over a period of time	**167,413**	158,889
	697,915	609,252

15- SEGMENTAL REPORTING

The Group has separated the business segments into two main divisions for the purpose of preparing segment reports, which are as follows:

Segment	Business
Cement	Manufacturing and wholesale ordinary cement, salt-resistant cement and clinker cement.
Precast concrete	Manufacture of partitions, frames and prefabricated buildings from prefabricated concrete.

As at June 30, 2026 (un-audited)	**Cement**	**Precast concrete**	**intersegment adjustments**	**Total**
Total assets	**3,044,909**	**446,705**	**(29,173)**	**3,462,441**
Total liabilities	**867,403**	**164,415**	**(29,173)**	**1,002,645**
For the six-month period ended on June 30, 2026 (un-audited)				
Revenue, net	**532,104**	**167,413**	**(1,602)**	**697,915**
Net profit	**140,031**	**1,085**	**-**	**141,116**

As at December 31, 2025 (audited)	Cement	Precast concrete	intersegment adjustments	Total
Total assets	2,808,619	471,449	(35,663)	3,244,405
Total liabilities	757,667	181,389	(35,663)	903,393
For the six-month period ended on June 30, 2025 (un-audited)				
Revenue, net	453,102	158,889	(2,739)	609,252
Net profit	105,981	19,453	-	125,434

The revenues generated by geographical segments are as follows:

	June 30, 2026 (Un-audited)	June 30, 2025 (Un-audited)
K.S.A	**693,605**	607,485
Other countries	**4,310**	1,767
	697,915	609,252

16- EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net income for the period attributable to ordinary shareholders of the Group by the weighted average number of outstanding ordinary shares during the period. The calculation of basic and diluted earnings per share is as follows:

	For the three-month period ended		**For the six-month period ended**	
	June 30, 2026 (Un-audited)	June 30, 2025 (Un-audited)	**June 30, 2026 (Un-audited)**	June 30, 2025 (Un-audited)
Net profit of the period (in thousands of ⃁)	**69,084**	63,353	**141,116**	125,434
Number of outstanding shares (in thousands of shares)	**86,000**	86,000	**86,000**	86,000
Basic and diluted earnings per share	**0.80**	0.74	**1.64**	1.46

(All Amounts in Thousands of Saudi Riyals "⃁" Unless Otherwise Stated)

17- CAPITAL LIABILITIES

As of June 30, 2026, future capital projects approved by the Group's management amounted to 133 million ⃁, of which 21.1 million ⃁ includes the amount of the letter of credit issued to the Group contracted to design, supply, construct and operate the new cement production line (as of December 31, 2025, amounting to 333.6 million ⃁).

18- CONTINGENT LIABILITIES

As of June 30, 2026, the Group's contingent liabilities against letters of credit and bank guarantees amounted to 286 million ⃁, of which 21.1 million ⃁ was for the implementation, design, supply, construction and operation of a new cement production line (December 31, 2025: 436.1 million ⃁).

19- DIVIDENDS

On March 25, 2025, the Company's Board of Directors approved the distribution of cash dividends to shareholders amounting to ⃁ 86 million for the second half of 2024, representing ⃁ 1 per share for the 86 million shares eligible for dividends.

On March 26, 2026, the Company's Board of Directors approved the distribution of cash dividends to shareholders amounting to ⃁ 51.6 million for the second half of 2025, representing ⃁ 0.6 per share for the 86 million shares eligible for dividends.

20- FAIR VALUE

For the purposes of financial reporting, the Group used the fair value hierarchy classified at levels 1, 2 and 3 based on the degree of observance of the inputs in the fair value measurement and the importance of these inputs in measuring the fair value in its entirety, as shown below:

- Level 1: Quoted market prices in an active market for similar assets or liabilities that the Group can value at the measurement date.
- Level 2: Inputs other than quoted prices in Level 1 that can be observed either directly (similar prices) or indirectly.
- Level 3: Inputs for assets and liabilities that are not based on observable market information cannot be observed either directly or indirectly from the market.

Investments in quoted equity instruments in the Saudi market are valued according to the market closing price on the date of the interim condensed consolidated financial statements and those instruments have been classified under Level 1.
Investments in unquoted investment funds in the Saudi market are valued according to closing price provided by fund manager on the date of the interim condensed consolidated financial statements and those instruments have been classified under Level 2.

Investments in unquoted equity instruments are evaluated based on approved valuation methods that depend on income approach and market approach, and those instruments are classified under level 3.

	Book Value	Fair value		
		Level 1	Level 2	Level 3
As at June 30, 2026 (un-audited)				
Investments at fair value through other comprehensive income	**286,876**	**56,070**	**-**	**230,806**
Investments at fair value through profit or loss	**284,146**	**43,225**	**240,921**	**-**
Total	**571,022**	**99,295**	**240,921**	**230,806**
As at December 31, 2025 (audited)				
Investments at fair value through other comprehensive income	258,790	51,154	-	207,636
Investments at fair value through profit or loss	130,885	47,131	83,754	-
Total	389,675	98,285	83,754	207,636

20- FAIR VALUE (CONTINUED)

The valuation models used for the main investment in Level (3) (Industrialization and Energy Services Company) are the "Market Multiples Adjusted by Price to Book Value Ratio" method, which is based on market multiples of the quoted prices of companies similar to the investee company adjusted for the effect of the non-marketability of the investee company's securities, where price to book value was used. The method used relies heavily on observable market inputs. None of the investments included in Level (2) have moved to either Level (1) or Level (3) during the period ended June 30, 2026.

Fair value of financial instruments stated at amortized cost

Management believes that the book values of financial assets and liabilities stated at amortized cost in the interim condensed consolidated financial statements approximates their fair value.

21- SUBSEQUENT EVENTS

On July 26, 2026, the Board of Directors decided to distribute cash dividends of 51.6 million ⃁ for the first half of the fiscal year 2026. The dividend per share is ⃁ 0.60, and the entitlement date for the dividends will be August 2, 2026.

22- APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved by the Group's Board of Directors on July 26, 2026.